



INVITATION FOR BID
State of North Dakota
OMB/Central Services Division
SFN 2464

Information Technology Department
State of North Dakota
600 East Boulevard Ave
Bismarck, ND 58505-0602
Telephone: 701-328-3190

Bid Number: 112-0912	Commodity or Service: North Dakota STAGEnet Upgrade		
Date and Time of Public Bid Opening: June 30 th , 2009 at 2:00 PM CDT		Deadline for Questions and Clarifications: June 19 th , 2009 at 4:00 PM CDT	
Direct all inquiries to the Procurement Officer: Greg Hoffman			
Telephone: 701.328.4006		Fax: 701.328.1075	E-mail: gahoffman@state.nd.us
Date Delivery Required: June 30 th , 2009 at 1:00 PM CDT		Delivery location F.O.B.: Not Applicable	
BID RESPONSE (To be completed by the Bidder)			
In compliance with this Invitation for Bid and subject to all the terms, conditions, and requirements specified, the vendor agrees and promises to sell, furnish, and deliver to the State all commodities and services contained in the invitation for bid and for which the vendor has been awarded by this contract with the State. The vendor shall fully perform this contract in accordance with the terms and conditions contained in the invitation for bid and shall comply with all applicable provisions of the North Dakota Century Code and North Dakota Administrative Code Chapter 4-12. Written acceptance of the invitation for bid by the State constitutes a binding contract made and entered into by and between the State of North, acting through the agency named above, and:			
Bidder:		Federal ID or Social Security No.:	
Street Address:			
P.O. Box			
City:	State:	Zip Code:	
Telephone Number:		Toll Free Tel. No.	
E-Mail:		Fax No.:	
Type or Print Name & Title of Person Signing:			
Authorized Signature:			
ACCEPTANCE (For State Use Only)			
Bid Response accepted and contract awarded this _____ day of _____, _____.			
By _____ Title _____			

See mailing instructions on Page 2.

MAILING INSTRUCTIONS

Mail a completed and signed Invitation for Bid (IFB) document along with a completed copy of the cost proposal (located on last page) in a sealed envelope to the address listed below. IFB documents received after the date and time specified in the invitation for bid, will be rejected. Address the envelope containing your response in the following manner:

BID NUMBER: 112-0912

BID OPENING DATE: June 30th, 2009

ATTENTION: Greg Hoffman, Procurement Officer

AGENCY NAME: North Dakota Information Technology Department

ADDRESS: 600 E Boulevard Avenue, Dept. #112

CITY, STATE ZIP CODE: Bismarck, ND 58505-0602

Bidder Checklist. Have you remembered to:

- Mark envelope with the bid number and bid opening date to the attention of Greg Hoffman, Procurement Officer?
- Review the terms and conditions contained in this solicitation that will apply to the contract?
- Sign your bid on the cover sheet?
- Initial any alterations or corrections?
- Review and complete all requirements contained in this solicitation to ensure compliance?

BIDDER'S INSTRUCTIONS

1. **Addition of Terms and Conditions.** Additional terms and conditions submitted with a bid response are of no effect unless accepted in writing by the purchasing agency. Bids with any additional terms and conditions may be rejected as non-responsive.
2. **Affirmative Action.** The contractor will take affirmative action in complying with all Federal and State requirements concerning fair employment and employment of the handicapped, and concerning the treatment of all employees without regard to discrimination by reason of race, color, religion, sex, national origin or physical handicap.
3. **Assistance to Bidders with a Disability.** Offerors with a disability that need an accommodation should contact the procurement officer prior to the deadline for receipt of proposals so that reasonable accommodation can be made.
4. **Approved Vendor Registration.** Every person or business entity that desires to bid on contracts for commodities and services must be an approved vendor in order to be placed on the bidders list. Vendors must comply with the vendor registration requirements related to approved bidder registration as set forth in N.D.C.C. § 54-44.4-09 and this solicitation:
 - **Approved Vendor Requirement Waived.** Proposals will be accepted from vendors who are not currently approved vendors on the State's bidders list. The requirement for the successful vendor to become approved has been waived, in accordance with N.D.C.C. § 54-44.4-09.

Placement on the bidders list does not guarantee a vendor will receive notice of every formal solicitation. Vendors must maintain current information by submitting a Notice of Change form to the State Procurement Office (Fax 701-328-1615):

<http://www.state.nd.us/csd/spo/vendor-reg.html>.

5. **Bid Held Firm.** Bids are not awarded at the bid opening. Bid responses will be firm for **30** days from the bid opening date, unless otherwise specified by the Procurement Officer in writing.
6. **Bid Results.** Bid summaries will be mailed to those bidders who supply a self-addressed, stamped, envelope with their bid response. Bid summaries will be mailed when an award decision has been made. Bid summaries may be viewed and a copy obtained by contacting the Purchasing Agency during normal working hours.
7. **Changes.** After a binding contract has been entered into, no changes (i.e., substitution of product or a price adjustment) may be made, unless prior approval has been obtained from the Purchasing Agency.
8. **Corrections.** The vendor's authorized representative must initial any corrections and alternations (i.e. erasures, whiteouts, correction tape, etc.) made to the bid response. Those bid responses with alterations and corrections that are not initialed are subject to confirmation by the procurement officer.

9. **Currency.** All prices must be in United States currency.
10. **Clarifications and Questions:** Bidders must carefully review this solicitation, including specifications, terms and conditions, risk management provisions, and all attachments for defects, questionable, or objectionable material. All questions must be in writing and directed to the purchasing agency, addressed to the procurement officer, and cite the subject IFB number. The procurement officer must receive these written requests by the deadline indicated on the front of the solicitation to allow issuance of any necessary amendments.

This will also help prevent the opening of a defective solicitation and exposure of offeror's proposals upon which an award could not be made. Protests based on the content of the solicitation will be disallowed if these faults have not been brought to the attention of the procurement officer, in writing, before December 07, 2007. If the question may be answered by directing the questioner to a specific section of the IFB, then the procurement officer may answer the question over the telephone. Other questions may be more complex and may require a written amendment to the IFB as determined by the procurement officer. The requirements of this solicitation can be altered only by written addendum and that verbal communications from whatever source are of no effect.

11. **Definitions:**

- Bidder any person or firm submitting a competitive bid in response to a solicitation.
- Bid summary a summary of all bid responses received by the Purchasing Agency
- Bid response the executed document submitted by a bidder in response to a solicitation.
- Contract a deliberate written agreement between two or more competent persons to perform a specific act or acts.
- Contractor any person or firm having a contract with a governmental body.
- Solicitation the process of notifying prospective bidders that the state wishes to receive bids for furnishing goods.

12. **Facsimile Bids.** Bid responses faxed to the Purchasing Agency will be rejected. Bids may be faxed to a third party who will put it in an envelope and deliver it to procurement office before the date and time specified in the solicitation.
13. **Late Bids.** It is the bidder's responsibility to ensure that a bid response is physically deposited with the Purchasing Agency prior to the date and time specified for the opening. Late bid responses will not be opened and will be rejected regardless of the degree of lateness or the reasons.
14. **Minor Informalities.** The State reserves the right to waive minor informalities in bid in accordance with N.D.A.C. ch. 4-12-10. Minor informalities are insignificant omissions or nonjudgmental mistakes that are matters of form rather than substance, evident from the bid document, with a negligible effect on price, quantity, quality, delivery, or contractual conditions that can be waived or corrected without prejudice to other bidders.
15. **Multiple Bids.** Bidders may submit more than one bid in response to this solicitation. Each bid submitted must comply in all aspects with the bid requirements and these instructions.
16. **Protests.** An interested party may protest the solicitation within seven days before the bid opening or protest the notice of intent to award or award within seven days after receiving notice in accordance with N.D.C.C. §54-44.4-10 and N.D.A.C. ch. 4-12-14. Notice of Award will only be issued to those vendors that request Bid Results. Seven calendar days after award or issuance of the notice of intent to award is issued to vendors that requested bid results, it will be assumed that all interested parties knew or should have known all the facts surrounding the solicitation.
17. **Review of the Bids.** After the bid opening, bids become subject to North Dakota open records laws. Interested parties may request public information and make arrangements to review the bid file by contacting the Procurement Officer during normal working hours, between 8:00 a.m. 12:00 pm and 1:00 pm and 5:00 pm., Monday through Friday.
18. **Receipt of Bids.** All sealed bids received by the Purchasing Agency will be opened and read at the place, date, and hour specified in the solicitation.
19. **Rejection.** The state reserves the right to reject any and all bids in whole or in part. Bid responses will be rejected if:
- the bid response is not legible.
 - the bid response is not completed as requested.

- the bid response is faxed to the Purchasing Agency
 - the bid response does not meet the specifications or other requirements of the solicitation.
 - the bid response is received after the time and date specified.
20. **Signature.** The bidder submitting the bid response or that bidder's duly authorized agent or representative must sign the bid response manually in ink. The name and title of the person signing the bid response must be typed or printed below the signature.
 21. **Taxes.** The State does not pay sales tax or federal excise tax. The state sales tax exemption number is E-2001. The federal tax-free transaction number is 45-0309764.
 22. **Withdrawal or changes to a bid response prior to the bid opening date and time.** A bidder may withdraw or make a change to his bid response prior to the bid opening date and time. The request to make a change or withdraw must be in writing by a representative of the firm. The request to withdraw or change must be signed by the bidder or his designated representatives.
 23. **Withdrawals after the bid opening date and time.** Withdrawals after the bid opening will be allowed only upon written approval from the Purchasing Agency. Vendors continually withdrawing bids after the bid opening may be removed from the State Bidders List.

GENERAL TERMS AND CONDITIONS

The successful bidder must be willing to agree to the following general terms and conditions:

1. **Applicable Law and Venue.** Any contract entered into will be governed by and construed in accordance with the laws of the State of North Dakota. Any action to enforce that contract must be brought in the District Court of Burleigh County, ND.
2. **Assignments and Subcontracts.** Contractor will not be allowed to assign or otherwise transfer or delegate any right or duty without the State's express written consent. However, the Contractor may enter into subcontracts provided that any such subcontract acknowledges the binding nature of the contract and incorporates the contract, including any attachments. Contractor will be solely responsible for the performance of any subcontractor. Contractor shall not have the authority to contract for or incur obligations on behalf of the State.
3. **Binding Contract.** The acceptance of a bid response in writing by the Purchasing Agency constitutes a contract between the bidder and the state. Written acceptance from the Purchasing Agency will be in the form of a purchase order or a notification of award. Any oral agreement or arrangement by a bidder or vendor with an agency or buyer will have no force or effect unless reduced to writing. The successful bidder must perform in accordance with the terms and conditions of the contract and this article and purchasing laws of the state of North Dakota.
4. **Compliance with Laws.** The contractor must, in performance of work under the contract, fully comply with all applicable federal, state, or local laws, rules, and regulations. The contractor must comply with the provisions of all appropriate federal laws, including Title VI of the Civil Rights Act of 1964. Any subcontracting by the contractor subjects subcontractors to the same provision.
5. **Compliance With Public Records Law.** Contractor must indicate that it understands that, except for disclosures prohibited under North Dakota Open Records laws related to confidentiality, N.D.C.C. § 44-04-18, the State must disclose to the public upon request any records it receives from Contractor. Contractor further understands that any records which are obtained or generated by the Contractor under the contract, except for records that are confidential under N.D.C.C. § 44-04-18, may, under certain circumstances, be open to the public upon request under the North Dakota Open Records law. Contractor agrees to contact the State immediately upon receiving a request for information under the Open Records law and to comply with the State's instructions on how to respond to the request. Bid responses are exempt records until the time and date of the bid opening.
6. **Confidentiality.** Contractor must agree not to use or disclose any information it receives from the State under the contract that the State has previously identified as confidential or exempt from mandatory public disclosure except as necessary to carry out the purposes of the contract or as authorized in advance by the State. The State agrees not to disclose any information it receives from Contractor that the Contractor has previously identified as confidential and which the State determines in its sole discretion is protected from mandatory public disclosure under a specific exception to the North Dakota Open Records law, N.D.C.C.

§ 44-04-18. The duty of State and Contractor to maintain confidentiality of information under this section continues beyond the term of the contract, or any extensions or renewals of it.

7. **Termination for lack of funding or authority.** The contract must provide that it shall become null and void, in total or in part, should the Legislature of the State of North Dakota fail to appropriate funds for any or all agencies, which are committed to the terms of the contract. Any such contract termination shall be at no cost to the state.

SPECIAL TERMS AND CONDITIONS

1. **Award.** Award will be made to the responsible bidder with the lowest priced bid that is responsive to the specifications and all other requirements stated herein. Award will be made as a single award.
2. **Contract Period.** The contract issued as a result of this solicitation will be for the period from January 1, 2008 through December 31, 2012 inclusive.
3. **Financing Requirement.** The financing commitment is for funds not to exceed \$6 million. The funds will be drawn down as needed beginning January 1, 2008. Draw downs will not be more frequent than monthly. There are no penalties for early repayment. Financing may be provided as loan or lease instrument.
4. **Service Representative:** The contractor must provide a dedicated service representative to provide support for the contract. The contractor shall provide the name and contact information for the service provider. During the contract period, the contractor shall notify the procurement officer in the event the contractor's service representative changes.

DETAILED SPECIFICATIONS

Project Background:

The 1999 legislative session authorized the creation of the North Dakota Statewide Technology Access for Government and Education network (STAGEnet). STAGEnet provides broadband connectivity, Internet access, video conferencing and other networking services. The Information Technology Department (ITD) works closely with public schools (K12), higher education institutions (HE) and other government entities to ensure the network meets each of their unique needs.

In 2007 the state upgraded the core backbone of the network to a four-node redundant fiber optic ring. While this provided many significant advantages, the endpoint infrastructure remained largely older ATM technology. The contract with the provider also included a future upgrade of the endpoint equipment at e-rate subsidized locations.

ITD recently negotiated a contract with the network provider that would allow us to move to an Ethernet infrastructure providing more bandwidth, newer technology, and better expandability at almost the same cost as the current setup. ITD was also able to negotiate an increase in bandwidth in the core backbone.

Project Scope

This project will upgrade network endpoints, including data, voice and video services, at most of the K12, Higher Education facilities, State and County office buildings.

- Backbone Upgrade
- 175 K12 facilities
- 25 Higher Education facilities
- 9 State Libraries
- 7 Tribal facilities
- 250+ State and County Office facilities

Project Description:

The state deployed STAGEnet in 2001 delivering a state of the art network system for K12, Higher Ed, state government and political subdivisions. In 2006-2007 the state bid out and upgraded the core backbone creating new core hub sites in Minot and Grand Forks, in addition to upgrading the Bismarck and Fargo sites. Our vendor was the one who actually upgraded equipment. In order to keep costs down, the state just reconfigured much of the state owned equipment and put back into service. This upgrade improved the overall bandwidth available to all of the state entities using it and provided a redundant loop in the core infrastructure. However, the “last mile” was still restricted to the older ATM (mostly T1) technology. Many of those endpoints, especially in the K12 area, were running out of capacity in that link to the backbone. In addition, the core components that run 24x7x365 are reaching their end of life. Failure in this equipment can cause a significant outage in the network, possibly impacting hundreds to thousands of users.

Recent negotiations with our provider (Dakota Carrier Network) have provided an opportunity to significantly increase the bandwidth to those endpoints with only a very slight increase to the overall monthly cost. In addition, those negotiations also offered the state the opportunity of increasing our core bandwidth for a significant decrease in monthly cost.

This project will deliver a much need equipment refresh to the K12 endpoints. It will also refresh the equipment in the Higher Education sector, state and county locations and update some of the core network equipment. This equipment will allow us to significantly increase the bandwidth available to government and education in North Dakota and upgrade the telephone infrastructure.

Business Need/Problem:

ITD faces several issues:

- The endpoint equipment in most of the K-12 locations is 7-8 years old.
- The endpoint equipment in most of the K-12 locations uses older (ATM) technology.
- Many of the K-12 locations have reached the capacity limit of their bandwidth and the cost to increase capacity using ATM technology is prohibitive.
- The endpoint equipment in most of the Higher Education locations is also 7-8 years old.
- The endpoint equipment in most of the Higher Education locations uses older (ATM) technology, albeit at a higher capacity level than K12 for the most part.
- Many of the Higher Education locations have also reached the capacity limit of their bandwidth and the cost to increase capacity using ATM technology is prohibitive.
- Much of the state-owned core backbone equipment is 7-8 years old. This equipment has an increasing chance of failure. Failure of one of these components could have a significant impact to ITD’s customers.
- The telephone infrastructure is 15-18 years old and will be upgraded to voice over IP technology.

Requirements:

The Information Technology Department seeks a cost effective financing package with the following key elements:

- Financing commitment of \$6 million in total.
- Funds to be drawn down as needed beginning July 20th, 2009.
- Total repayment 5 years from the origination of this project, beginning January 1, 2012, with payments made quarterly.
- No penalties for early repayment or for additional payments made early.
- Financing may be provided as loan or lease instrument.
- Interest rate to remain fixed during the term of the contract.

BID RESPONSE

Introduction

Proposals must include the complete name and address of Offeror's firm and the name, mailing address, and telephone number of the person the Information Technology Department should contact regarding the proposal.

Proposals must confirm that the Offeror will comply with all provisions in this IFB. The proposal must disclose any instances where the firm or any individuals working on the contract have a possible conflict of interest and, if so, the nature of that conflict (e.g., employed by the State of North Dakota).

Proposals must be signed by a company officer empowered to bind the company. An Offeror's failure to include these items in the proposals may cause the proposal to be determined non-responsive and the proposal may be rejected.

1. **Proposal Format and Content.** Proposals must be concise, well organized and address all of the requirements outlined in the IFB.
2. **Cost Proposal.** Offerors must provide a sheet detailing the primary financing terms. For purposes of comparing proposals from various Offerors, each Offeror should use the following assumptions to prepare their financing proposal:
 - Total Amount Drawn \$6,000,000
 - Drawdown Schedule Draws as needed beginning July 20th, 2009
 - Repayment Schedule Minimum of equal quarterly payments beginning January 1, 2012

The drawdown and repayment schedules may be modified with the selected Offeror and incorporated in the financing agreement. Each Offeror must specify the following elements of the financing based on the above assumptions:

 - Commitment Fee (if any)
 - Fixed Interest Rate
 - Total Amount of Payments
3. **Other Financing Terms.** Offerors must provide details on any other terms and conditions that they are proposing related to the financing. Offerors must also provide a sample financing agreement. The Information Technology Department reserves the right to negotiate any terms and conditions.
4. **Authorized Signature.** An individual authorized to bind the Offeror to the provisions of the IFB must sign all proposals.
5. **Information Technology Department Not Responsible for Preparation Costs.** The Information Technology Department will not pay any cost associated with the preparation, submittal, presentation, or evaluation of any proposal.
6. **Affirmative Action.** The contractor will take affirmative action in complying with all Federal and State requirements concerning fair employment and employment of the handicapped, and concerning the treatment of all employees without regard to discrimination by reason of race, color, religion, sex, national origin, or physical handicap.
7. **Conflict of Interest.** Offerors must disclose any instances where the firm or any individuals working on the contract has a possible conflict of interest and, if so, the nature of that conflict (e.g., employed by the State of North Dakota). The Information Technology Department reserves the right to cancel the award if any interest disclosed from any source could either give the appearance of a conflict or cause speculation as to the objectivity of the Offeror's proposal. The Information Technology Department's determination regarding any questions of conflict of interest is final.
8. **Offeror's Certification.** By signature on the proposal, the Offeror certifies that it complies with:
 - a) the laws of the State of North Dakota;
 - b) North Dakota Administrative Code;
 - c) all applicable local, state, and federal laws, code, and regulations;
 - d) the applicable portion of the Federal Civil Rights Act of 1964;
 - e) the Equal Employment Opportunity Act and the regulations issued by the federal government;
 - f) the Americans with Disabilities Act of 1990 and the regulations issued by the federal government;
 - g) all terms, conditions, and requirements set forth in this IFB;
 - h) a condition that the proposal submitted was independently arrived at, without collusion;

- i) a condition that the offer will remain open and valid for the period indicated in this solicitation; and
- j) a condition that the firm and any individuals working on the contract do not have a possible conflict of interest (e.g., employed by the State of North Dakota).

If the Offeror fails to comply with the provisions stated in this paragraph, the Information Technology Department reserves the right to reject the proposal, terminate the contract, or consider the contractor in default.

9. **Evaluation of Proposals.** All bids will be reviewed to determine if they are responsive to the requirements of this solicitation. The Procurement Officer or an evaluation committee will evaluate responsive bids. Subject to the acceptability by the Information Technology Department of other terms and conditions of the financing, the evaluation will be based solely on the proposed cost of the financing.
10. **Right of Rejection.** The Information Technology Department reserves the right to reject any proposals, in whole or in part. Proposals received from debarred or suspended vendors will be rejected. The Procurement Officer may reject any proposal that is not responsive to all of the material and substantial terms, conditions, and performance requirements of the IFB. Offerors may not qualify the proposal nor restrict the rights of the Information Technology Department. If an Offeror does so, the Procurement Officer may determine the proposal to be a non-responsive counter-offer and the proposal may be rejected.

The Procurement Officer may waive minor informalities that:

- do not affect responsiveness;
- are merely a matter of form or format;
- do not change the relative standing or otherwise prejudice other offers;
- do not change the meaning or scope of the IFB;
- are insignificant, negligible, or immaterial in nature;
- do not reflect a material change in the work; or
- do not constitute a substantial reservation against a requirement or provision.

The Information Technology Department reserves the right to reject any proposal determined to be not responsive, and to reject the proposal of an Offeror determined to be not responsible. The Information Technology Department also reserves the right to refrain from making an award if it determines it to be in its best interest.

11. **Clarification of Offers.** In order to determine if a proposal is reasonably susceptible for award, communications by the Procurement Officer or the proposal evaluation committee are permitted with an Offeror to clarify uncertainties or eliminate confusion concerning the contents of a proposal and determine responsiveness to the IFB requirements. Clarifications may not result in a material or substantive change to the proposal. The initial evaluation may be adjusted because of a clarification under this section.

COST PROPOSAL
Bid Number 112-0912

(Submit a Completed Copy of this Cost Proposal)

To: Greg Hoffman, Procurement Officer
North Dakota Information Technology Department
600 E Boulevard Avenue, Dept. #112
Bismarck, ND 58505-0602

Annual Interest Rate _____%

Quarterly Payment \$ _____

Total of all Payments \$ _____

Also include an amortization schedule to reflect the following:

- Total Amount Drawn \$6,000,000
- Drawdown Schedule Draws as needed beginning July 1, 2009
- Repayment Schedule Minimum of equal quarterly payments beginning January 1, 2012
- Final Payoff Payment on July 1, 2014 providing no early payoff was done.

Identify in Detail Any Other Fees:
(Reminder: No penalty for early payment)

Signature of Authorized Executive _____

Date Signed _____